



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

**1. Agenda Item Number:**

**57**

**2. Council Meeting Date:**  
August 15, 2013

**TO: MAYOR & COUNCIL**

**THROUGH: CITY MANAGER**

**3. Date Prepared:** July 12, 2013

**4. Requesting Department:**  
Communications and Public Affairs

**5. SUBJECT:** Purchase of a DS-200 High-Capacity Folder Inserter System

**6. RECOMMENDATION:** Recommend approval to use the Western States Contracting Alliance (WSCA) Contract #ADSP011-00000411-4 for Mailing Equipment, Supplies & Maintenance with Neopost USA, Inc. for the purchase of a letter inserter system, in an amount not to exceed \$59,553.09.

**7. HISTORICAL BACKGROUND/DISCUSSION:** The Print, Mail and Graphics (PMG) Division prints and inserts all of the City's utility bills, sales tax statements, and business license renewals. In all, totaling nearly 1.2 million pieces printed and inserted annually. The existing letter inserter was purchased in 2006. It has a life expectancy of 5 million and is currently well over the 6.5 million mark. As a result, PMG has to call for maintenance service on the existing letter inserter on a weekly and/or bi-weekly basis. During the Utility Billing software upgrade that is currently taking place, added functionality is being added to the bills via Optical Mark Reader (OMR) and barcode markings. The new inserting equipment being requested is the only machine with scanning software that has the functionality to read the embedded information in the bills and provide more control over the mailing, such as, provide an indication whether the bill needs a return envelope, a special insert, has multiple pages, etc. This software has already been tested and approved by the City's Information Technology Division. This purchase is critical to accommodate sufficient testing for the new functionality as well as to test the new utility bills adequately prior to their implementation. Neopost USA, Inc., is the only manufacturer of the DS-200. The DS-200 High-Capacity Folder Inserter System includes: PC and 15" color touch screen monitor, flex tower sheet feeder and folder with (2) 500 sheet feeders, (4) high capacity versatile insert feeders, intelligent-feeder software license for 1D barcodes, accumulator and divert module for flex tower, four foot envelope conveyor, and console furniture to fit the inserter system. First year annual service is included as part of the WSCA contract, a savings of \$8,472. The only cost for the first year is the equipment.

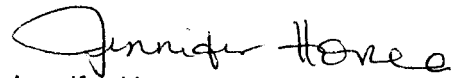
**8. EVALUATION PROCESS:** The requested equipment and services were solicited through a Request for Proposal (RFP) process by the State of Arizona as the lead agency for WSCA. The State awarded this new national contract in October 2011 to multiple vendors, with an initial term of two years. The solicitation and evaluation process was conducted in accordance with established state policies and procedures and the contract award was made to the responsible Offeror(s) whose proposal was determined in writing to be the most advantageous to the state taking into consideration the evaluation factors set forth in the RFP. The selected vendor for this purchase, Neopost USA, Inc., is the only manufacturer of this machine that provides contract pricing and factory approved installation and support for the equipment that is being purchased. The WSCA contract provides uniform competitive pricing discounts, highly detailed support, warranty conditions, and free training. These conditions protect the City's investment and further ensures years of full operation and service. In addition, PMG staff is trained and familiar with this brand and product allowing for an easier transition than purchasing a completely different brand and model of inserter. A purchase order will be used as the contract and the City has an approved Intergovernmental Participating Agreement with the State of Arizona/WSCA.

**9. FINANCIAL IMPLICATIONS:** Funds for this purchase are part of a decision package approved by Council as part of the FY 2013-14 budget and have been appropriated in account 401.1291.6419.0000.6GG642.0000.

**10. PROPOSED MOTION:** Move to approve the use of the Western States Contracting Alliance (WSCA) Contract #ADSP011-00000411-4 for Mailing Equipment, Supplies & Maintenance with Neopost USA, Inc. for the purchase of a mail inserter, in an amount not to exceed \$59,553.09.

**APPROVALS**

**11. Requesting Department**



Jennifer Honea, Publications Services Supervisor

**12. Department Head**



Nachie Marquez  
Communications and Public Affairs Director

**13. Procurement Officer**



Kristy Garcia, CPPB

**14. City Manager**



Rich Dlugas